



For Immediate Release

June 15, 2006

**Senate Budget Committee Chairman Gregg Introduces Budget Reform Plan
"S.O.S." Bill Will Address Over-Spending**

Senate Budget Committee Chairman Judd Gregg, joined by Senate Majority Leader Bill Frist and 19 other co-sponsors, today introduced a comprehensive budget reform plan entitled *The Stop Over-Spending Act of 2006*, or "S.O.S." (S. 3521) designed to contain out-of-control federal spending and restore discipline to the budget process.

"The goal of this package is to allow us as a Congress to step up and address over-spending," said Chairman Gregg on the Senate floor. "The purpose also is to pass on to our children and grandchildren a government that is affordable and offers high-quality services, so that their quality of life is not compromised. We cannot solve our fiscal problems – the issue of the deficit and the entitlement obligations – on the tax side. We need to be willing to step up and address spending. The S.O.S. bill will lead to a government that is effective and affordable."

Provisions of the S.O.S. Act include:

- It creates a line-item veto tool that allows a President to target wasteful spending, ask that it be rescinded, and send it up to Congress for expedited consideration.
- It creates a new and improved Gramm-Rudmanesque mechanism to essentially balance the budget by 2012 – procedures to automatically slow the rate of growth for mandatory programs if Congress fails to meet deficit reduction targets.
- It reinstates statutory caps on discretionary spending (and the use of all-too-convenient and burgeoning "emergency" spending), enforceable by an across the board sequester, if Congress fails to adhere to the caps.
- It creates a point of order against direct spending that is triggered when the Medicare program is projected to become insolvent in 7 years or less. Due to skyrocketing health care costs and an aging population, Medicare is projected to be the first of the large entitlement programs to become insolvent.

- It creates two new bi-partisan commissions: one to study the accountability and efficiency of government programs (in a manner similar to the BRAC Commission), and the other to examine and provide solutions to the impending entitlement crisis.
- It strengthens and improves the Budget Resolution and Reconciliation processes.

The bill is co-sponsored by Majority Leader Bill Frist (R-TN) and Senators Wayne Allard (R-CO), Jim Bunning (R-KY), Michael Enzi (R-WY), Jeff Sessions (R-AL), Mike Crapo (R-ID), John Ensign (R-NV), John Cornyn (R-TX), Lamar Alexander (R-TN), Lindsey Graham (R-SC), Jon Kyl (R-AZ), Sam Brownback (R-KS), Saxby Chambliss (R-GA), Larry Craig (R-ID), Jim DeMint (R-SC), Johnny Isakson (R-GA), John McCain (R-AZ), Craig Thomas (R-WY), John Thune (R-SD) and David Vitter (R-LA).

More details on the S.O.S. budget reform package can be found at <http://budget.senate.gov/republican>.